

First Time Homebuyer Program (FTHB)

1. What is FTHB program?

The County of San Luis Obispo Housing Department provides First Time Home Buyer (FTHB) program to assist qualified families with mortgage loans, down payment, and closing cost in the purchase of their first home.

2. Which type of properties are eligible?

The FTHB program may be used to purchase any new or resale single family houses, condos, townhomes, and manufactured homes that are permanently fixed to a permanent foundation, and occupied by the seller, the buyer, or vacant.

3. Where can I purchase my home using FTHB loans?

The First Time Homebuyer program is designed to assist homebuyers to purchase properties located within the County of San Luis Obispo excluding the Cities of Pismo Beach and Morro Bay.

4. What is the maximum purchase price?

The maximum purchase price for a single family house or a manufactured house is \$475,000 and for a condominium is \$362,790.

5. What is the maximum loan amount?

The maximum loan amount is \$90,000 while the homebuyer is expected to contribute at least 30% of gross income toward monthly housing expenses.



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San Luis Obispo County

First Time Homebuyer Program



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DO YOU QUALIFY?

You can apply if you meet the following criteria:

- Low income households that are 80% of the County median annual income
- First time homebuyer (has not owned a principal residence in the past 3 years)
- Qualified for a primary private loan
- Provide 2% down payment and closing cost

LOAN TERMS

The First Time Homebuyer loan assistance is recorded as a second mortgage on your home.

- **Interest Rate:** Simple non compounding fixed interest rate of 3%
- **Homeowner Contribution:** 2%
- **Loan Term:** 50-year loan
- **Payment Type:** Deferred payment until year 21 or the home is sold, transferred, or refinanced

INCOME CHART

In order to be eligible for this program, the buyers' annual income shall not be more than 80% of the area median income, as determined by HUD, adjusted for family size. In addition, assets shall not exceed these income limits. Currently, the income limits are as follows:

Maximum Annual Household Income Adjusted for Family Size Effective March 5, 2008	
Household Size	Maximum Annual Income
1	\$37,500
2	\$42,900
3	\$48,250
4	\$53,600
5	\$57,900
6	\$62,200
7	\$66,450
8	\$70,750

APPLICATION PROCESS

1. Contact a Participating Lender for eligibility screening.
2. Once you are pre-qualified and have a maximum home price, you may locate a home to purchase.
3. When you have located a home, you will need to make a purchase offer and start escrow.
4. Once your purchase offer is accepted and escrow begins, your lender will assist you in completing the application material for the FTHB program.
5. During escrow your lender will process your loan application for the first mortgage and FTHB second mortgage.
6. The Housing Authority will send documents to the County for environmental clearance and sign off.
7. When escrow closes, you will become a homeowner and will be responsible for monthly payments on your first mortgage.
8. The application fee is a non-refundable \$150.

